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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/324,920	06/03/1999	JIM DEGRAAF	1960.122	2172

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EXAMINER

BASHORE, ALAIN L

ART UNIT

PAPER NUMBER

3624

DATE MAILED: 05/02/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Applicati n No.

09/324,920

Applicant(s)

DEGRAAF ET AL.

Examiner

Alain L. Bashore

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 January 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 34-54 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 34-54 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 31, 41, 48-54 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In claim 34, 41, and 48 there is recited "needed" which is considered indefinite since there is no meets and bounds as to what includes "needed".

In claim 41 the recitation of "structure" is unclear because such a recitation is understood to imply a physical manifestation (i.e. apparatus) but the claim recites method limitations.

Claim 41 recites "portfolio of instruments" which is vague and indefinite since the claim as a whole recites elements that include different statutory classes of invention (apparatus, process, product-by-process, article of manufacture, etc). Applicant must indicate on the record what statutory class of invention the portfolio claims belong to. For the purposes of this examination these claims are considered process.

Claims 48-54 recite "system" which is vague and indefinite since a system may be one of several different statutory classes of invention (including a method or an apparatus). Applicant must indicate on the record what statutory class of invention the system claims belong to. For the purposes of this examination these claims are considered apparatus.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 34-47 are rejected under 35 U.S.C. 101 as non-statutory. The method claims as presented do not claim a technological basis in the body of the claim. While the specification discloses such a basis, there is no basis claimed. Without a

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claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim at least one structural / functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) – used only for content and reasoning since not precedential].

Claims 41-47 are rejected under 35 U.S.C. 101 as non-statutory because it appears that as currently recited, a “simulated dynamic portfolio” describes only an abstract concept without physicality. No recitation as to what the portfolio contains is recited. The term “portfolio” in business methods denotes instruments being held (i.e stock, bonds etc....).

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 34-54 are rejected under 35 U.S.C. 103(a) as being unpatentable over French in view of (Meinikoff and Ruffin et al).

French discloses a method, portfolio of instruments, and a system for determining performance evaluation associated with a user's portfolio by simulating changes to the composition of a dynamic portfolio under a plurality of scenarios at a plurality of time steps (fig. 1). The user's portfolio comprises a plurality of instruments (col 5, lines 35-38). There is generated a dynamic portfolio comprising a plurality of instruments and having an initial composition that is identical to the composition of the user's portfolio. At least one rule is defined in which changes are to be made to the composition of the dynamic portfolio (fig 3). The defining step is performed prior to execution (106). At least one rule is dependant on at least one tracked attribute, one at least one tracking position, and on at least one trade position (col 7, lines 31-45; col 8, lines 20-35). One of a plurality of scenarios under which the simulation is to be performed is selected (col 1, lines 43-60). The simulation is executed under a plurality of time steps on the dynamic portfolio with sub-steps of valuing the dynamic portfolio, changing the dynamic portfolio, and repeating the sub-steps a plurality of time steps for each of a plurality of scenarios (34).

French discloses rules including a band rule, where the rules inherently are assigned priorities and evaluated in order of that priority (fig. 4). The method as a whole is considered a "generic model" (fig 1).

French does not disclose:

producing an output risk metric for the dynamic portfolio wherein the output metric is dependant on the composition of the dynamic portfolio after executing the simulation.

Melnikoff discloses producing an output risk metric for a simulated portfolio wherein the output metric is dependant on the composition of the simulated portfolio after executing the simulation (col 9, lines 40-67).

It would have been obvious to one with ordinary skill in the art to include calculation of a risk metric to French because of what is taught by both Melnikoff and French. Melnikoff teaches simulation of a portfolio and that risk is a measure of performance (col 1, lines 59-61), and French teaches simulation of a portfolio to measure performance and acknowledges risk as a factor per se (col 7, lines 24-25).

Since French teaches an iterative process with steps (see fig. 3) before actual physically realization (the purchase of investments – step 120 of fig. 3), the method to French is considered to include a “simulation under possible future scenarios”. As an alternative interpretation French does not disclose executing a simulation under possible future scenarios.

It would have been obvious to one with ordinary skill in the art to include executing a simulation under possible future scenarios to French in view of Melnikoff

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because Ruffin et al teaches that before a business endeavor is invested in, an informed decision is made regarding possible scenarios regarding a desired outcome (col 2, lines 5-19).

Response to Arguments

8. Applicant's arguments filed 1-17-03 have been fully considered but they are not persuasive.

Since the prior art teaches producing simulated instruments these instruments are considered "needed". Until the simulated instruments have been bought, these instruments produce a "changed simulated dynamic portfolio". Until the simulated instruments have been bought, they are not an "existed instrument".

The claims as currently presented do not preclude the method being applied by someone with little knowledge of finance.

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alain L. Bashore whose telephone number is 703-308-1884. The examiner can normally be reached on about 7:30 am to 5:00 pm (Alternate Fridays Off).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-1113.


Alain L. Bashore
April 30, 2003